TRAMES, 2004, **8**(**58/53**), 4, 372–387

'GOOD GOVERNANCE': THE PLIABILITY OF A POLICY CONCEPT[1]

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Abstract. This article traces the evolution of the concept of 'Good Governance', launched as a guiding policy metaphor in international aid circles at the end of the Cold War. As a guiding principle, it was presupposed that it would facilitate the posing of a new generation of 'political conditionalities', aimed at the internal restructuring of government machinery of developing and transitional countries. However, in practice donor agencies soon found it more complex to handle than they had thought it would be. A new approach, advocating 'selectivity' as a criterion for entering into aid relationships, initiated by the World Bank, seemed to offer a way out: 'good governance' was to become now a *pre-condition* for countries keen to receive development aid. By implication, reform of 'governance' as such would receive less prominence as an aid policy objective in its own right.

Keywords: Good Governance, aid policies, conditionality, political conditionalities, selectivity.

1. Introduction

For well over a decade, the notion of 'good governance' has served a s a general guiding principle for donor agencies in demanding from recipient governments adherence to proper administrative processes in the handling of development assistance and expecting them to put in place effective policy instruments towards that end. At the present time, however, donor references to the 'good governance' notion aimed at inducing reforms in the institutional environment of recipient countries appear to have had their longest day. Instead, changing donor preferences for new kinds of relations with aid-receiving countries are giving rise

[1] Paper prepared for conference on *Governance and Good Governance* organized by PRAXIS, Tallinn, 25th May 2004. This presentation is largely based on an earlier paper titled "'Good governance': The Metamorphosis of a Policy Metaphor", *Journal of International Affairs*, vol. 57 no. 1, Fall 2003, Columbia University, New York, for which re-use was kindly granted.

to a different use of the 'good governance' notion, notably to have it serve as a *pre*-condition to qualify for aid relationships. The present paper explores the conditions under which the idea of 'good governance' first became adopted as a donor policy metaphor and how successively it is being transformed into an instrument of 'selectivity'. Particular attention will need to be given in this regard to successive shifts in the relevant policy thinking within the World Bank.

As a background, it should be recalled that around 1989-90, all of a sudden, the 'good governance' notion became prominent on the international aid front. First launched as a donor discourse, it came just as unexpectedly as the fall of the Berlin Wall, which happened only slightly earlier, and in fact the two developments do not appear to have been entirely unconnected. Until that time, aid agencies and other development institutions had generally not been approaching their program relations with counterparts in terms of criteria of 'good governance'. Nor had, for that matter, the term 'governance' constituted a significant part of the vocabularies used in, say, political science courses at European or American universities in the decades before. For a long time the word had had a somewhat obscure dictionary existence, primarily carrying legalistic connotations, as in respect to bodies having Boards of Governors, whose institutional role required a designation rather grander than 'administration', less business-like than 'management', and with their 'political' concerns handled discretely but firmly.

But then suddenly, the notion of 'good governance' was there, now used to refer to the way in which whole countries, or cities or provinces for that matter, were being 'governed' or to be governed. Contextually, rather than intrinsically, it soon transpired that any references that were made to it somehow pertained to states and other entities in the South, and later to the countries emerging from the former Soviet bloc, rather than in Western Europe or North America from where the concept was being (re-)launched. Moreover, with the adjective 'good' added to it, it became unmistakably clear that the concept of 'good governance' could be used to invite judgment about *how* the country, city or agency concerned was being 'governed'. It enabled the raising of evaluative questions about proper procedures, transparency, the quality and process of decision-making, and many other such concerns (Doornbos 1995). The way these issues were at an early stage looked at from a donor perspective could be gleaned from a *World Bank Staff Paper* as follows:

Since poor countries generally have fragile polities and weak systems of accountability, with few autonomous institutions and little countervailing power to that exercised by the government at the center, external agencies are potentially key political players capable of exerting considerable influence in promoting good or bad governance. In raising the shortcomings of a country's governance, external agencies are calling into question its government's performance. Clearly, this goes further than a critique of a particular program or project (generally regarded as a legitimate concern of a financing agency), to touch on the ability of a regime to govern effectively in the interest of its citizenry (Landell-Mills and Serageldin 1991:13).

Looking back at the interval since the launch of the 'good governance' discourse, it is striking to see how in virtually no time the terms 'governance' and 'good governance' became household words figuring on top of the list of concerns of aid agencies, governments, researchers and the media. As is often true with new buzzwords, though, there has hardly been a consensus as to its core meaning, and less and less of a common idea as to how it should be applied more concretely. Still, it was and is there and it soon gained a key function by virtue of its capacity to draw attention all at once to a whole range of – largely unspecified – issues concerning processes of public policy-making and authority structures. In that sense it appealed to the imagination of analysts as well as practitioners, and became a focal point for intellectual as well as for policy discourses.

Today, about a decade and a half after its re-birth, various questions have continuing pertinence with regard to the use of 'good governance' as a policy instrument: What exactly was it supposed to mean and what has it been used to refer to? Does it represent a universal concept or does it vary from context to context, and from one perspective to another? What meanings has the donor community, led by the World Bank, been attaching to the term over time and how useful have these conceptualizations been? What critique does it invite? What handle did or does it offer when judging countries in connection with the allocation of aid funds? And how opportune has it been to make aid conditional on 'good governance'? By posing conditionalities in terms of practices and structures of governance, changes in the latter respect have tended to become (at least partly) externally determined. Again, is that 'right', and why or why not would that be the case?

A reflection on the origins and evolution of the 'good governance' notion, especially as regards its use as a reference point in donor-recipient relations, must ask why it emerged at the time it did and what has been its track record since then. In the light of the latter, moreover, we may ask whether it is likely to continue receiving the same level of interest as it drew initially.

2. The scope of the 'governance' concept

In terms of its scope and potential coverage, the notion of 'governance' semantically had an *a priori* attractiveness from a global policy-making perspective. Among other things, it could refer to a good deal more than just (sound) administration or management, namely to the dimension of political structuring and the latter's handling, while at the same time including the administrative-managerial element. As the then Chilean minister responsible for political reform, Eduardo Boeninger, formulated it,

> *A concept that has recently attracted attention is the role played by governance…[H]ere we refer to governance as, first, identifying economic and social objectives, and second, charting a course designed to move society in that direction. Governance can then be defined as the good government of society. Good government guides the country along a course leading to the desired goal, in this case, development* (Boeninger 1991:1)

Within such a perspective, 'governance' (in origin a legalistic concept) in principle acquires a political dimension, broadly oriented to how the political process is organized and how this is being handled. It is difficult to give more exact conceptual demarcations. In this connection, Landell-Mills and Seralgadin (authors of the World Bank's 'good governance' strategy) observed,

> *Governance is not a word that has been used extensively in the past by political scientists, but its recent appearance in popular usage has not been very rigorous. It has become in many ways both an all-embracing and a vague concept. In essence, therefore, governance may be taken as denoting how people are ruled, and how the affairs of a state are administered and regulated. It refers to a nation's system of politics and how this functions in relation to public administration and law. Thus, the concept of governance goes beyond that of 'government' to include a political dimension* (Landell-Mills and Serageldin 1992:304).

Though evidently not to be equated with 'politics', let alone 'political leadership', 'governance' nonetheless opened a window for focusing on how 'politics' or the political process was embedded and conducted within larger structures. Significantly, in the dichotomous manner in which for years many practitioners and analysts had been used to thinking about 'politics' and 'administration', there had been hardly a single word connecting these two spheres – distinct, yet closely related and overlapping as they are. Part of the term's appeal was that it seemed to be able to fill that gap. Curiously, though, while in principle comprising a political dimension, in actuality the use of 'governance' and 'good governance' on the donor front soon seemed to favor a certain de-politicization of political processes.

Yet it should be borne in mind that the term itself, while pointing to a general area of common concern, hardly carries a specific meaning. Rather, its intrinsic open-ended quality, and inherent lack of specificity have tended to generate a good deal of searching and debate as to what is or should be its 'proper' meaning, prompting multiple efforts to appropriate it and define it in particular ways and directions (Ahrens 1999). For bankers, for example, (financial) accountability will represent the crux of 'good governance', while ordinary villagers and citizens in various countries are likely to stress the provision of security as their prime criterion for 'good governance'. Nor is such lack of specificity particularly surprising: a pliable term like 'governance', rather than constituting a concept in its own right, is more like a flexible carrier which can be used to convey varying combinations of messages or ideas, though largely remaining within the same general trade specialization. Thus, there has been a fair amount of oscillation in the usage entertained, some of it also more policy-oriented and others more academic.

While a good deal of discussion thus arose as to what would and what would not be covered by the term 'governance', leaving a substantial margin of ambiguity as to how 'political' it should be understood to be, organizations like the World Bank began to determine their position as to whether they should be adopting criteria of *good governance* – and if so, which ones – as part of their package of official rules and conditionalities. Arguably, the ambiguity and lack of clarity around the concept at the time may have had its 'useful' sides for the agencies concerned: under an umbrella of conceptual ambiguity it could be just a little easier to try and test how far one could extend the package of conditions. After all, the search was for a conceptualization which through its formulation would be able to legitimize the political concerns and aspirations on the donor front, while being instrumental enough to allow attaching fairly concrete measures and conditionalities to it.

It was also significant that the position of the World Bank and the IMF in these matters was increasingly seen as providing a lead for other Western donors, the latter taking up a position of their own only within the broader parameters set by these organizations. To some extent this made life easier for individual donors, which did not always have the capacity to indicate precisely which criteria of political reform should be met to reach a desired effect.

Meanwhile, notions of 'governance' rapidly found their way into academic usage following its adoption in donor circles and in recent times have stimulated lively discussion on various aspects of the themes they denote, pertaining to both forms and practice of the exercise of power (e.g. Hyden and Bratton 1992, Leftwich 1994). It is beyond the scope of the present paper to deal with the academic stream of writing on 'governance'. Suffice it to say that the academic stream has been largely concerned with developing a better understanding of the ways in which power and authority relations are structured in different contexts – thus focusing on different modes of inter-penetration of state-civil society relations. One advantage it has here, as Goran Hyden has remarked, is that it does not prejudge the locus of actual decision-making – which could be within the state, within an international organization or within some other structural context (Hyden 1992:6). In that regard a concept of 'governance' facilitates analytical pursuits into the exercise of political power, unhindered by formal boundaries, and may fit discourse analysis, embedded structuralism, Marxism and mainstream thinking alike (cf. Van Kersbergen and Van Waarden 2001). Indeed, many political scientists and sociologists, as increasingly also economists, could hardly do without the term any longer.

In contrast, a donor-directed and policy-oriented discourse on governance has rather been focused on state-market relations and within this context more specifically on state structures designed to ensure accountability, due processes of law, and related safeguards. There has naturally been a certain amount of interaction between the two discourses, which can be fruitful as long as both sides remain open to it. But obviously the basic purposes have been different, the academic discourse being primarily oriented towards better analysis and understanding of the institutional linkages between state and society in different contexts, the donor-driven discourse being geared rather towards enhancing policy effectiveness and conceptually preparing the terrain for policy intervention. The guiding motive in this interventionism, it would appear, has been towards the establishment of new global-institutional patterns of hegemony, through a 'disciplining', in a Foucauldian sense, including the governance of 'self', of state and policy structures in individual countries to conform to the norms set by global institutions. There are indeed intriguing overlaps, though also differences, between notions of 'governance' and Foucault's 'governmentability'. However, historically derived social, economic and institutional structures, or the specific needs and potential of particular countries, did not figure much as points of departure in global 'good governance' designs. Instead, one of the key aims appears to have been the creation, in developing country contexts, of state-market relationships that have been characteristic for Western neo-liberal systems.

The impetus for a renewed interest in having a concept of 'governance' thus did not originate in any academic context, but from amongst the circle of international donor agencies, in particular the World Bank. Increasingly one had felt a 'need' for such a concept here, though different from that of the academic interest. To better appreciate this, it will be instructive to reconsider the transitions and expectations occurring at the global level at the time.

3. 'Good governance' and political conditionalities

With the demise of the Cold War, the paramount urge to organize the world in opposite camps had come to a halt. Until that moment, the firmer (i.e. the more strong-handed) the client states were, the easier it had often appeared for global powers and institutions to conclude alliances and aid relations with them. Authoritarianism and dictatorships had been thriving during those years, although in the late 1980s some donors had already begun to attach certain conditions to the granting of development aid. But following the fall of the Berlin Wall (and at least until the aftermath of 'September 11') there no longer seemed to be the same imperative to get the support from, or give support to, regimes with a dubious track record in the handling of their own internal affairs, including human rights issues. Instead, time had come when it seemed quite justified, and when there appeared no more constraints, for global powers and institutions to set conditions to, and prescriptions for, the manner certain client states should be going about the management of their governmental affairs. Rolling back the state systems of many developing countries and reducing the political weight these represented, became a key element in the thinking within the global institutions. A new chapter of political conditionalities, i.e. of *internally* directed political conditionalities addressed to the structuring and operation of recipient countries' institutions, was being opened. However, this required a suitable conceptual framework which would enable and justify such interventions.

Until the demise of the Cold War, political conditionalities as such had not been unknown: they had been the essence of many client relationships built up during the Cold War. Political support for the West, or for the then so-called East bloc, in the UN, in the field and in other fora, had been a key condition for material and other upkeep of the regimes concerned (as in a new era demanding loyalty to the US in its war against 'terrorism' it may become once again). But these conditionalities were basically *externally* oriented. They did not necessarily specify how the governments concerned should structure their administration and policy-making processes, what priority they should assign to certain policy initiatives, or how they should handle a whole range of other matters that might now typically come up for 'policy dialogue'. The new, post-Cold War generation of *internally* oriented political conditionalities was aimed to do exactly that. The new guiding idea was to get a grip on recipient developing countries' handling of policy processes, and more broadly on the way in which government and its constituent political processes – including multi-partyism – would be structured. National sovereignty and non-interference in internal affairs, for long held in high esteem in international politics, were increasingly met with impatience in the light of these initiatives. In World Bank circles at the time, there certainly was an awareness that one was about to step into 'sensitive' matters, as the then World Bank President Barber Conable put it. Outlining the new strategy, he declared, 'If we are to achieve development, we must aim for growth that cannot be easily reversed through the *political process of imperfect governance'* (Conable 1992:6; italics added). In other words, the realm and role of politics had to be 'contained'. In 1991, when the Bank for the first time devoted part of its Annual Development Economics Conference to the 'good governance' theme, the anticipations as to what this might imply in terms of the Bank's future agenda were indeed quite high, and in principle comprised nothing less than a 'reform of politics' in aid-dependent countries (World Bank 1992).

In order to be able to raise conditionalities of political and administrative reform, however, some new standard or set of criteria was called for. It is here where the notion of 'good governance' came in, somehow broad enough to comprise public management as well as political dimensions, while at the same time vague enough to allow a fair measure of discretion and flexibility in interpretation as to what 'good' governance would or would not condone. In the donor world led by the World Bank the re-invention of the notion of '(good) governance' thus was meant to enable and justify the launching of a new generation of political conditionalities.

Significantly, the Bank's own, already key role in aid coordination, soon became further enhanced with the adoption of this line, as individual donor countries were not always certain as to what could be subsumed and demanded, and what not, as 'good governance'. They often felt more secure in going 'multilateral', that is, accepting the World Bank's lead and signals in the matter (Uvin 1993:67). For the World Bank itself, venturing into these new areas in a way was nonetheless ironic, as its statutes had prohibited it to enter into 'political' lines of action. When the new line under the label of good governance *cum* political conditionalities suggested itself, and was proposed and elaborated by Bank staff, the Bank's Governors pondered long as to whether their strictly non-political mandate should be maintained or broadened. The outcome was to maintain it, and in its own successive definitions of the concept the Bank for several years kept to a strictly non-political view of 'governance'. Already, there were significant differences in this regard between some of the staff papers presented at the Bank's 1991 Annual Development Economics Conference, which departed from a broader understanding that was explicitly inclusive of the political dimension, and the published versions of the same papers (e.g. the paper by Pierre Landell-Mills and Ismail Serageldin on 'Governance and the External Factor', in World Bank 1992). Only about six years later, with the publication of its 1997 *World*

Development Report which included a certain re-appraisal of the role of the state and attention for matters like citizen participation, the Bank moved to a somewhat broadened, though still essentially ‘a-political’, conception of ‘governance’ (Martinussen 1998).

Nonetheless, the Bank’s earlier repositioning had also entailed adoption of a formula which allowed it to play a pivotal role in donor-recipient country relations. While in its own dealings with loan-recipient countries it had to stick to strictly non-political, financial accountability and transparency notions of ‘governance’, the Bank had accepted the role of secretariat for the consultative meetings of various donor consortia for several countries, which in the end stipulated what political conditionalities would need to be met (Gibbon 1993:55–56). In principle this placed the Bank in the strategic position of being able to convey political conditionalities set by the respective consortia to the recipient countries concerned, and subsequently to monitor their implementation, without compromising its own, non-political mandate (Ibid).

4. ‘Universality’ and globalization

It is useful to place the construction of an intervention-oriented ‘good governance’ agenda within a broader perspective and look at some of its implications. First of all, there is the question of how universal are standards of good governance put up by the Western donor community, irrespective of the question how ‘deep’ these standards reach in reality. Ideas about ‘good governance’ in principle are conceivable within quite different socio-cultural and political contexts, and would in fact constitute a rich field for comparative political anthropology or political science. Historically and across countries at the present time there are numerous different ways in which state-society relations and processes for public policy-making – i.e. governance structures – have been given shape. Some of these may be considered ‘good’, others ‘bad’; judgments about this will naturally vary. Most or all societies are likely to score ‘good’ and ‘bad’ judgments for different aspects of their policy performance; again, what one opinion given a certain background or experience will consider positive may be looked upon critically elsewhere. But in actual fact it is unlikely that the world’s donor community would want to borrow its standards from comparative political anthropology or from different socio-cultural contexts. Rather, donor standards are likely to be derived from the way donors are used to perceiving and handling the world around them, i.e. from their own particular perspective (including cultural), even though in the end they may present these as having ‘universal’ value.

If donor-conceptualized standards of ‘good governance’ were to be more fully elaborated and operationalized, it would thus imply an insistence on Western-derived standards of conduct to be adopted in various non-Western politico-cultural contexts. This is neither new nor particularly surprising, yet it remains important to recognize it for what it is, namely a confrontation of different practices and cultural premises. Denis-Constant Martin wrote in this connection

> *[T]here is no standard formula for fostering an acceptable level of state management and good governance; the road to such a destination is mapped out by cultural factors that vary considerably from place to place and are in no way unalterable; on the contrary, they keep changing under the pressure of both internal and external dynamics, which makes it all the more difficult to define them* (Martin 1991:15).

What tended to be offered as packages of policy prescriptions for *good governance* did not in any way appear to recognize this basic problematic and provide an answer for it. Thus it is quite conceivable that externally initiated and in principle uniform ways of organizing government structures, which by definition cannot do justice to the specificity of state-society relations, in various situations could as readily have a negative as a positive effect. Whatever the exact balance, “all things considered, it is most unlikely that good governance can be introduced from outside” (Martin 1991:20).

It is also in this regard that one can note a basic distinction between academic and donor discourses on ‘governance’. An academic discourse, at least if it is informed by some cultural sensitivity (Ter Haar 2000:13), presumably would take cultural variation as its point of departure, and would try to better understand the merits and demerits of various configurations of ‘governance’ in different contexts. Donor discourses by contrast are likely to depart from just one general notion of ‘governance’, and to demand an adherence to it.

Related to this is the role which insisting on ‘good governance’ practices may take on in globalization processes. Globalization of course has numerous facets, including the way in which state functions are getting progressively subsumed under broader trans-national institutional constructs. This plays in all parts of the world, though rather differently in the developed West as contrasted to the ‘developing’ South. If an emerging ‘good governance’ agenda were to be actively pursued, then in the final analysis it will constitute one more, potentially key, route through which Western-originated processes of institutional globalization would be furthered. The extent to which that could become the case is a matter of further analysis, and particularly requires a focus on evolving patterns of interaction and confrontation between different sets of norms and practices (Doornbos 2000).

5. Principle and practice

In retrospect, the early 1990s may come to be viewed as one of the high points in ‘good governance’ thinking. A broad set of interrelated concepts were formulated delineating areas of concern with policy structures and processes, while more specific issues were put forward for reform in the context of aid packages with conditionalities attached. The dismantling of ‘over-developed’ state structures in Third World and former Soviet bloc countries thus seemed in easy reach, while multi-party ‘democratization’ just appeared to be waiting for an external nod and encouragement (cf. Sørensen 1995). Carrot-like conditionalities, it was anticipated, would help induce these various transformations, bringing about a wholesale overhaul of the developmental state that had been typical for the Cold War era. International expectations were quite high as to what the ‘good governance’ idea could highlight in terms of needed reforms and what the formulation and application of the new generation of political conditionalities might accomplish. In short, the climate of the time, particularly as perceived from the heights of global institutions, was one full of promise regarding the potential for creating and directing a better and more ‘governable’ world.

When putting principle into practice, however, significant complexities became apparent. Basically, the idea of posing political conditionalities had sounded easier in theory than it would turn out in reality. Not surprisingly, in many countries there turned out to be a willy-nilly reception of and compliance with various donor-instigated projects for political reform (Bayart 1993). These projects and proposals were bound to affect stakes in local political processes and balances of power, which the actors concerned would not readily give up. ‘Transparency’ of political processes and the idea of level playing fields did not easily match prevailing political cultures and configurations of power, or allow smooth translation into operational terms. Step by step the anticipated applicability of conditionalities for ‘good governance’ began to shrink. Two aspects in particular are worth noting in this respect.

First, one broad area for international ‘good governance’ attention in the immediate post-Cold War situation was that of democratization and multi-partyism. In the early 1990s the launch of the good governance theme, then still conceptualized in a broadly encompassing fashion, became partly focused on the call for multi-partyism. There was then much discussion about this, and there still is some, but it did not change much. Some authoritarian regimes skillfully transformed themselves into dominant parties within facade-type multi-party systems, demonstrating their resilience as political machines. Others continued, possibly with as little, or as much, by way of development collaboration contacts as they had before.

All in all, this particular dimension of the good governance theme does not seem to have lived up to the expectations that had come to be raised about it. Besides, as already noted, the World Bank had taken a lead in de-emphasizing the ‘political’ dimensions of ‘governance’ in its own dealings with aid-recipient countries. To the extent that multi-partyism and democratization (irregardless of whether these two categories should be seen as equivalents) constituted key aspects of the ‘political’ dimension of the international ‘good governance’ agenda, they now appeared to be slipping into the background.

Second, one of the intentions with the ‘good governance’ agenda had been to enable donors to question aid-recipient countries’ policy structures and processes, and to get them to alter these according to ‘universal’ criteria and conditionalities as set by the donors. How feasible or universally valid this approach would be could be questioned given the enduring definitional obscurities as we have seen. Nonetheless, the idea was to ultimately try and transform what donors perceived as ‘bad’ governance into ‘good’ governance. More than ten years after, the experience with setting conditionalities by and large has become a sobering record: donors and observers recount many examples of lip-service and less than spontaneous implementation of conditionalities, which should not be too surprising (Bayart 1993). Also, introducing policy conditionalities often meant inserting new elements into highly complex policy processes and situations, leading to fresh complexities for which donors and recipients would henceforth bear joint responsibility. In the process, donors ran the risk of getting more deeply enmeshed in the internal policy processes of recipient countries than they had bargained for (cf. Harrison 1999, for an analysis of the Mozambican example). After some years of interplay between externally initiated conditionalities and government restructuring strategies, it becomes increasingly difficult to disentangle the respective inputs of one and the other. In this light, also, attempts to measure the effectiveness of conditionalities would turn out rather problematic propositions to begin with, and might not produce very illuminating results. Moreover, a strain on resources usually limits the scope for follow-up monitoring. Second thoughts about the practicability of the conditionality instrument as a leverage tool thus began to preoccupy donors, along with recipients who naturally had had their own reservations about it to begin with. It is now mainly in the context of new sectoral policy involvements that several donors in recent years have opted to concentrate their aid on, that organizational and policy guidelines are being stipulated in relatively greater detail.

6. What impacts?

If donor policies emphasizing criteria of 'good governance' may have been less successful than was anticipated, this is not to say they have had no impact. Interestingly, the phraseology of 'good governance' in some ways has become as common in various remote districts of African countries as it has become in Washington DC or some Western European capitals. This is partly due to a kind of echo effect brought about by many donor agencies (multilateral, bilateral and NGOs) repeating the 'good governance' mantra over and over again, pledging their adherence to it, and projecting it on to their target groups. In a recent Oxfam-assisted project document on participation and poverty alleviation in Uganda, for example, it was put forward that people at village level demanded 'good governance' in terms of 'transparency and accountability' from their rulers and administrators. 'Good governance' recurs in a good bit of speechmaking, like in the context of public admonitions which in earlier periods would have called for proper administration, loyal service, or perhaps pride in the nationalist party. 'Good governance' also figures as a standard item for discussion at numerous seminars for civil servants and NGO staff, organized at many hotels in African countries by various ministries with the support of different aid agencies. But it does not necessarily mean that basic *structures* and *processes* of government have been subject to major change. In the face of these limitations, however, Graham Harrison suggests that "we should not only stress the limits of reform or the problematic relations with broader social change, but should also recognize that *any* improvements in the efficiency of state action are significant in a generally difficult environment" (Harrison 2001:676).

In one respect there has been some notable re-structuring of governmental decision-making in various countries of Africa and Asia and, though perhaps not strictly following from the 'good governance' discourse, it is often presented as being closely related to it. With varying degrees of determination, *decentralization* is currently being pursued in a good number of contexts, commonly in response to donor pressures and encouragement, though at times also in conjunction with local interests in achieving greater autonomy for particular regions or groups. Decentralization has developed into a vast terrain of discussion and experimentation (Ribot 2002). Suffice it to say here that decentralization may provide some scope for enhancing local participation in some situations, but that participation is likely to remain limited to the level of elites within particular localities and is no recipe for equity (Meynen and Doornbos 2002). Also, some regions or localities have better natural resource endowments and/or planning capacities than others to begin with, which in turn may give rise to unequal benefits to be obtained from any enhanced local autonomy. As time passes, these differences may increase due to a multiplier effect of unequal baseline capacities and assets. Besides, due to the fragmentation that may follow in the wake of decentralization, wider 'common' interests between different decentralized entities may get neglected or impaired. These realities again underscore the difficulty to devise generally valid formula for 'good governance'.

7. From 'conditionality' to 'selectivity'

Mixed experiences with using 'good governance' as a guiding principle for donor policies and in trying to use aid as an incentive to induce improvements in governance practices, have led to a tendency on the donor front to move from 'conditionality' to 'selectivity'. This is to try and avoid the burden of having to monitor attempts at amelioration of policy processes, which require more attention and detailed knowledge than most donors, even the World Bank, can muster. In this connection, the so-called 'Dollar report' (after its main author, David Dollar), *Assessing Aid* (World Bank 1998), in putting forward the research finding that 'good' performers (in terms of growth rates) are 'best' able to absorb and utilize aid funds effectively, has come to provide a policy rationale for this new approach. On the basis of the 'scientific' evidence presented in this report, 'selectivity' is being advocated and rationalized as a donor strategy which would be more cost-effective and results-oriented. Hence the keen interest with which the recommendations from this report have been taken up for discussion and adoption in various donor circuits (e.g. Netherlands Ministry of Foreign Affairs 2000). There have been serious criticisms regarding the reliability and relevance of the way these particular findings have been construed (e.g. Lensink and White1999, Van der Hoeven 1999). Yet to several donor agencies these shortcomings seemed to appear a lesser concern as compared to the perceived operational advantages on which the report seemed to open a window. These lay in the experience that attempts to steer governance restructuring programs through conditionalities from the outside turned out to be far more complicated and laborious engagements than optimistic aid agencies had first assumed they would be. Against these realities, *a priori* interests to embrace an approach that helps to lessen such self-imposed burdens would welcome any ‘authoritative’ report that appears to provide a theoretical justification for such a move, as has been the case with the Dollar report.

8. ‘Conditionality’ redefined

It is useful to look at what appears to be happening to the notions of ‘good governance’ and ‘conditionalities’ in the light of these shifting insights and priorities. The Dutch policy reversal of some years ago in favor of concentrating Dutch structural aid to a limited list of aid-receiving countries with strong ‘good governance’ records (as measured by economic performance) constitutes one example of the new trend. Paradoxically, the encouragement of ‘good governance’ through political conditionalities itself no longer figures as an area of prime policy attention in this new scenario. ‘Good governance’ has henceforth been assumed present to begin with, though elevated now to one of the key criteria for selection to the status of ‘most-favored’ aid-recipient countries as far as Dutch aid is concerned (Netherlands Ministry of Foreign Affairs 2000). Similarly, the US government, also reflecting World Bank policy re-orientations, has recently adopted the same basic position in redirecting its own aid policies. In contrast, Danish and other Scandinavian aid has not (yet) been tied to the single criterion of good performance/good governance (Martinussen 1998). Other donors have remained undecided as to whether they will follow suit in shifting from ‘conditionality’ to ‘selectivity’, though the World Bank’s lead in these matters makes a broader adoption of this approach likely.

However, to take observance of ‘good governance’ as a criterion for deciding which countries are qualifying for assistance and which are not, is something quite different from trying to demand *improvements* in terms of ‘good governance’ as a conditionality to aid. In the new thinking, ‘bad’ governance in principle will remain bad governance, unless the government concerned is so keen to qualify for aid under these conditions that it will feel motivated to first put its governance structures in order to meet the required criteria, which is unlikely. And even then, the question might arise as to which criteria that would involve: on the side of donors as well as recipients, clarity as to what ‘good governance’ would need to imply would be presupposed. But in reality that clarity is difficult to obtain, as the word itself, magic as it may sound, in and of itself does not contain it. Rather than a ‘step forward’ in the thinking in terms of ‘good governance’, this policy reversal could thus well be regarded as a step back in the face of the problematic attempts to come to grips with the complexities of ‘good governance’ as a policy objective, conceptually and in practice. As Jan Pronk has recently argued, “what really matters is not ‘good policies’, but ‘better policies’, better than before, to achieve a greater impact. Policy improvement and better governance should not be seen as pre-conditions for development and for development aid, but also as development objectives themselves” (Pronk 2001:626).

One may thus justifiably ask what future there is for ‘good governance’ as a guiding concept in the context of aid policies. As it remains difficult to specify or reach consensus about its contents, it seems likely that ‘good governance’ will continue to figure as a general, fairly open but nonetheless vague phrase with which to register one’s approval or disapproval of particular administrative/political practices or of actual governments, somehow suggesting that there is a reference to particular ‘higher standards’ in one’s judgment. In that case, the label ‘good governance’ becomes a *political* tool to justify and rationalize choices that are made on other, possibly arbitrary grounds.

One specific area that usually comes up for attention in donor-recipient relationships under the heading of ‘governance’, meanwhile, is that of financial accountability. Indeed, one string of motivations for the raising of ‘good governance’ on the global policy agenda has undoubtedly arisen out of this context and for understandable reasons. Quite possibly, when other, less tangible policy concerns have lost their immediate pertinence or self-evidence, or when donors sense they are unable to get a grip on them, the hard core of financial accountability questions will keep standing out as the core of ‘good governance’ concerns at least as far as donors are concerned. Often one already sees ‘good governance’, ‘transparency’ and ‘accountability’ posing as a trinity of synonymous bullet points with particular reference to financial management. It seems quite possible therefore that if in due course broader notions of ‘good governance’ will evaporate, their exit may well coincide with increased emphasis on the more tangible issues of financial accountability, which as a matter of fact it is any bank’s good right, if not obligation, to raise.

9. Concluding remarks

Notions of ‘good governance’, in association with ‘political conditionalities’ as a handle for donor intervention, formed the cornerstones for a series of interlocking policy criteria and initiatives that have been prominent on the international aid front for well over a decade. Bestowed in the post-Cold War era with high expectations as to the broadened ‘political’ policy objectives with respect to aid recipient countries they might help accomplish, it has increasingly become apparent that these expectations were rather over-stretched. Posing political conditionalities as a leverage to induce ‘good governance’ clearly did not – and could not – work out as envisaged, and as a policy metaphor carrying these instrumental connotations the phrase has lost much of its appeal. As a result this particular ensemble of donor policy concepts and instruments is now on its retreat. Conceivably, the ‘good governance’ metaphor might have had a different career path if donors had not launched it with an eye to being able to attach political conditionalities to it.

Today new kinds of donor-recipient relations are increasingly being favored, within which detailed agreements (featuring in-built, contractual conditionalities) with *selected* countries about the set-up and implementation of comprehensive donor-supported sector programs are worked out, implemented and monitored. Notions of 'good governance' are likely to remain part of donor parlance, but with less ambitious anticipations about the scope for intervention and political restructuring as were earlier attached to them. Within the donor discourse, the policy metaphor of 'good governance' has thus had a remarkable succession of connotations. While first figuring as a key objective in donor development and foreign policy in its own right, trying to stimulate improvements in governance through aid as an incentive, donors now increasingly present it as a selection criterion for aid recipient countries. To what extent the *selections* concerned actually measure up to the standards implied remains unclear and questionable.

Meanwhile, the 'good governance' notion more broadly appears to evolve into a general, even if often used, figure of speech without too much practical consequence. This is because, by themselves, the two words do not carry any specific and universally valid content. There is just no preferred, intrinsically superior model for 'governance'. One may look at examples from elsewhere, of course, or compare notes, but in each situation and socio-political context, one will in the end need to determine, according to one's own norms, what is, or should be, 'good governance'. In turn this means that questions such as what role to assign to the state, what role to the private sector, and how their interconnections can best be given shape, content and mutually productive meaning, will basically need to be answered afresh in each specific context, depending on what choices and priorities appear to be called for.

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